

Mebuki Financial Group, Inc.

Financial Results for the First Quarter of FY2021 (IR Presentation Material)



Financial Results for 1Q21

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Financial Results for the First Quarter of FY 2021/ Topics

Highlights

Results for 1Q21

	Results for 1Q21	YoY Change	Progress
Consolidated net income ^(*1)	¥18.7bn	+¥5.7bn	49.4%
Core net business income ^(*2) (Banks' total)	¥19.8bn	+¥3.6bn	–
Expenses (Banks' total)	¥27.6bn	–¥0.5bn	–
Credit related costs (Banks' total)	¥0.6bn	–¥2.4bn	3.2%

- Consolidated net income ^(*1) was ¥18.7bn(+¥5.7bn YoY).
- Core net business income ^(*2), indicating the profitability in core business, increased by ¥3.6 bn YoY due to improvement of security margins and increase of net fees and commissions reflecting the success of strengthened consulting.
- Expenses decreased by ¥0.5 bn YoY due to acceleration of the structural reform such as branch network optimization.
- Credit related costs decreased by ¥2.4 bn due to the effect of preventive reserve for loan losses in the previous fiscal year.

(*1) Attributable to owners of the parent (*2) Excluding gains /losses on cancellation of investment trusts

Forecast for FY21

	Forecast for FY21
Consolidated net income ^(*3)	¥38.0bn

- Although the progress toward to forecast for FY21 was 49% as of June 30, 2021, the forecast for FY21 remains unchanged from announced on May 12, 2021, since there are many unclear factors.

(*3) Attributable to owners of the parent

Main Points of 1Q21 Financial Results

Mebuki FG (Consolidated)

	(¥bn)		
	1Q21	YoY Chg	Progress
Gross business profit	49.7	+3.8	-
Net interest income (o/w Defference of interests betw een loans and deposits)	37.6 (26.5)	+2.0 (+0.0)	-
Net fees and commissions	10.6	+0.9	-
Net trading income	1.3	+0.8	-
Net other business income	0.0	+0.1	-
Expenses	28.3	-1.2	-
Credit related cost	0.8	-2.6	-
Gains/losses related to stocks	5.4	-0.3	-
Ordinary profit	26.6	+7.4	48.5%
Extraordinary income/losses	0.0	+0.6	
Net income	18.7	+5.7	49.4%

【 Consolidation adjustment 】 -¥0.6bn
Adjustments related to securities, etc.

【Joyo + Ashikaga (Non-consolidated)】

	(¥bn)		
	1Q21	YoY Chg	toward forecasts
Gross business profit	47.6	+2.9	-
Net interest income (o/w Defference of interests betw een loans and deposits)	38.3 (26.3)	+1.8 (+0.0)	-
Net fees and commissions	9.0	+1.2	-
Net other business income (o/w gains/losses on bond transactions)	0.1 (-0.2)	-0.0 (-0.2)	-
Expenses	27.6	-0.5	-
Net business income (before general allowance for loan losses)	19.9	+3.5	-
Core net business income (excl. gains/losses on cancellation of investment trusts)	20.2 19.8	+3.7 +3.6	-
Net transfer to general allowance for loan losses (a)	0.0	-0.9	-
Net business income	19.8	+4.5	-
Net non-recurrent gains/losses o/w Disposal of non-performing loans (b) o/w Gains/losses related to stocks, etc.	5.2 0.5 5.4	+1.6 -1.5 -0.5	-
Ordinary profit	25.1	+6.1	47.3%
Credit related cost (J + A) (a)+(b)	0.6	-2.4	

【Group Companies】

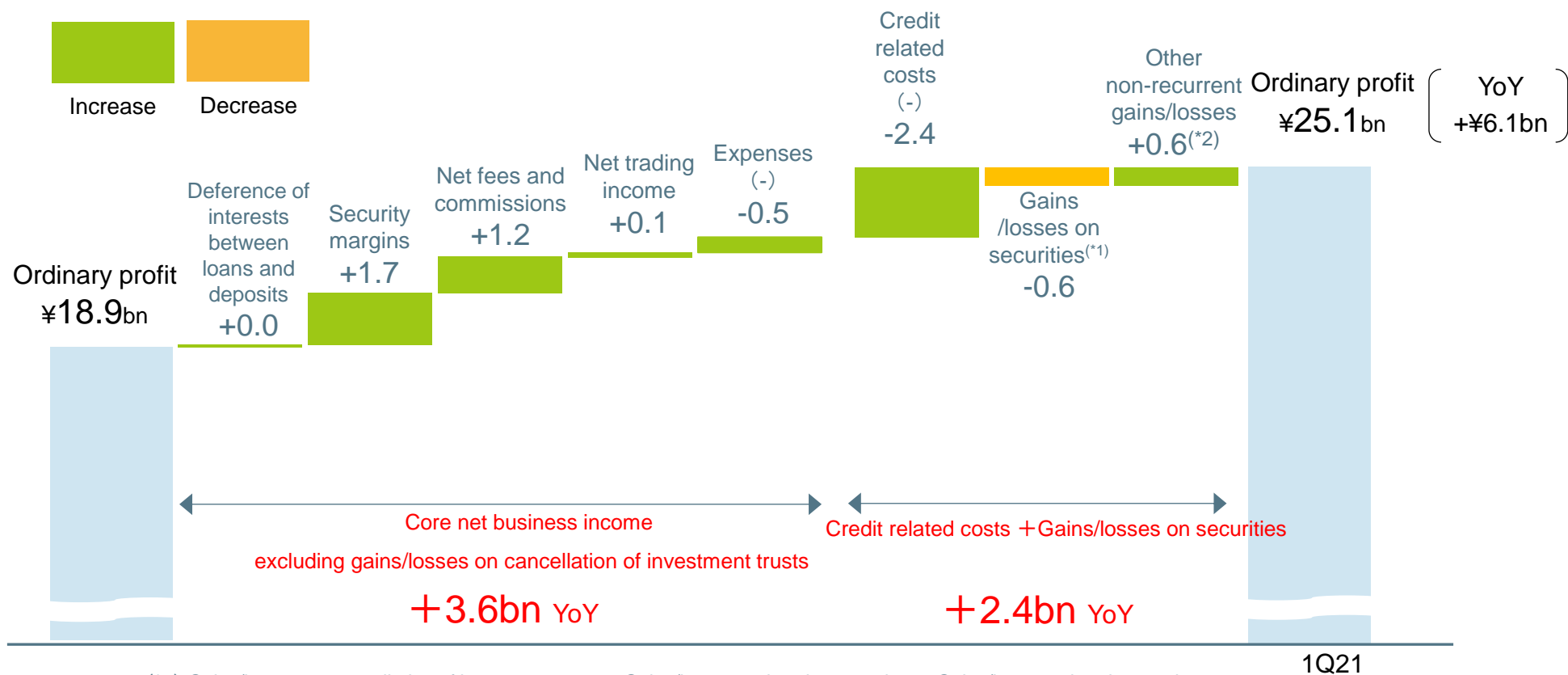
	(¥bn)	
	1Q21	YOY Chg
Joyo Bank (Consolidated)	13.1	+4.4
Ashikaga Bank (Consolidated)	5.1	-0.0
Mebuki Lease	0.2	+0.0
Mebuki Securities	0.5	+0.4
Mebuki Credit Guarantee	0.4	-0.0
Mebuki Card	-0.0	-0.1
	19.4	+4.7

Change of Ordinary profit (Bank Total)

Core net business income excluding gains/losses on cancellation of investment trusts, indicating the profitability in core business, greatly increased +¥3.6 bn YoY mainly due to increase of security margins, net fees and commissions, and cost reduction by the progression of structural reform.

Furthermore credit related costs decreased, and ordinary income (bank total) increased +¥6.1bn YoY.

Year -on-Year Changes of Ordinary Profit (Bank total) (¥bn)



1Q20 (*1) Gains/losses on cancellation of investment trusts +Gains/losses on bond transactions +Gains/losses related to stocks

(*2) Including (-)¥ 0.5bn of costs related to liability for retirement benefits, etc.

1Q21

Topics ① ~ Progress of Structural Reform for Enhanced Productivity ~

We enhanced reorganization or optimization of organizations and business processing ahead of schedule. We improved productivity and realized human resources "Freed-up".

We expanded staff in consulting and asset management areas while strengthening their functions.

Progress of Measures for Control of Staff

3 Year Plan (FY2019 ~ FY2021)

Unification and rationalization of business processing and IT departments	- 450 people	Free-up -1,000 people
Consolidation of head office functions and subsidiary functions and streamlining operations	- 130 people	
BPR and digitization of branch office operations	- 200 people	
Optimizing branch networks	- 220 people	

Enhancement of consulting function	+ 100 people	Invest + 200 people
Strengthening IT planning and IT consulting	+ 40 people	
Securities investment, structured finance, new fields	+ 60 people	

net -800 people

Achievements FY2020 (FY2019 ~ FY2020 / 2 years cumulative)

**Freed-up
-770 people**
(business processing and IT Departments -300)
(branch office network -300)

- We realized human resources "Freed-up" of 770 people, by reorganization of IT system departments and optimizing branch networks
- In Jan. 2020, we completed the core system integration and reorganization of IT system and business administration departments. As a results, we have built a highly responsive management base in the FG.
- Optimization of networks exceed the initial plan. (Initial Plan : Enhance efficiency about 20% of domestic branches → 3 year cumulative forecast : 62%or more)

**Invested
+170 people**
(consulting field +140)

- Enhancement of consulting function P7, P8
- Strengthening IT planning and IT consulting P9
- Securities investment, structured finance, new fields P10

net -600 people

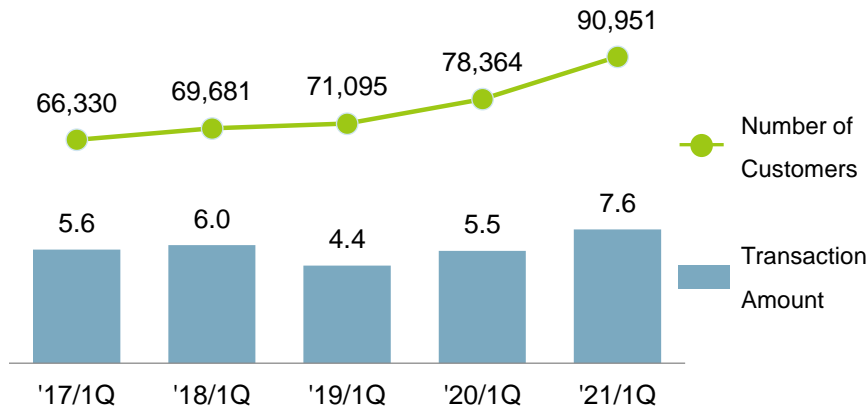
Described on the following pages

Topics ②—1 ~ Enhancement of Consulting Services for Individual Customers ~

The range of individual customers utilizing asset building is expanding steadily. Due to the enhancement of our collaboration between banking and securities services and capturing customers' needs, the number of contracts and amount of customer assets under custody increased. Further, we strengthened consulting services responding to asset management and succession needs in an aging society.

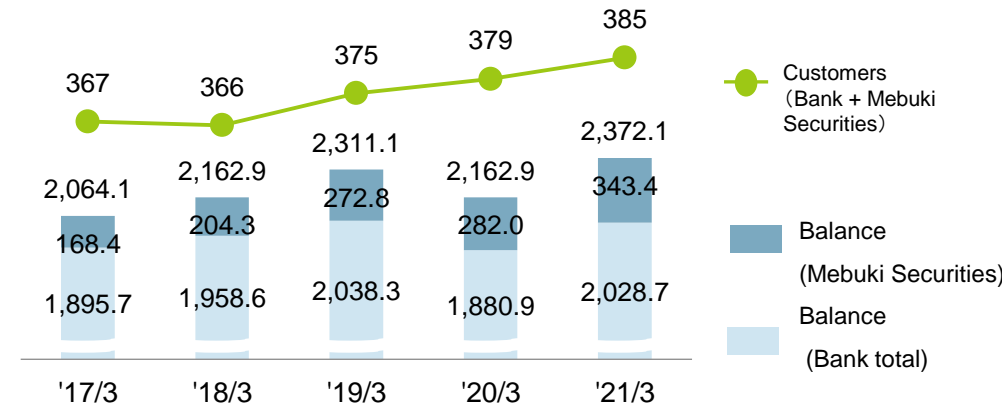
Accumulation Service (Bank total)

(Customers: number, Transaction Amount: ¥bn)

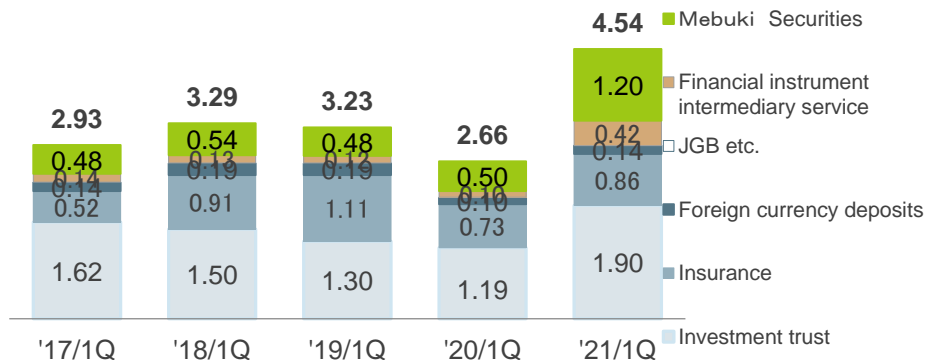


Assets under Custody

(Customers: thousand Balance ¥bn)



Commissions (Bank Total + Mebuki Securities)



Support for Asset Management and Succession

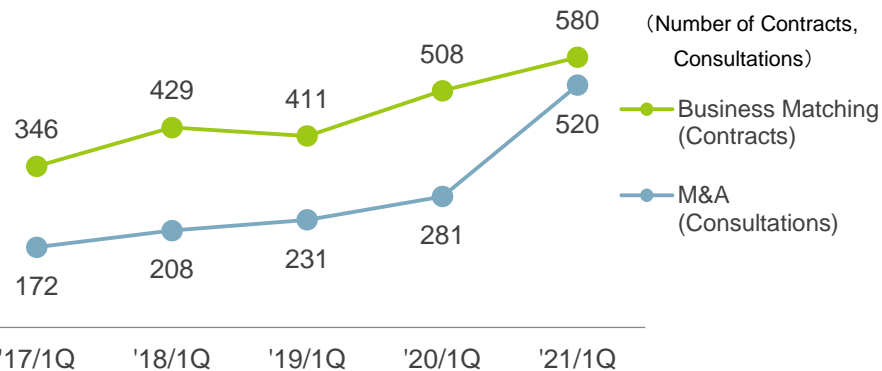
- Asset Management
 - ✓ Enhancing proxy transactions, offering guarantee and voluntary guardianship services, starting “Guardianship System Support Deposit”
- Asset Succession
 - ✓ Offer consulting services utilizing testamentary trust, testamentary substitute trust and insurance, establishment of consulting desk exclusively on weekends

Topics ②—2 ~ Enhancement of Consulting Services for Corporate Customers ~

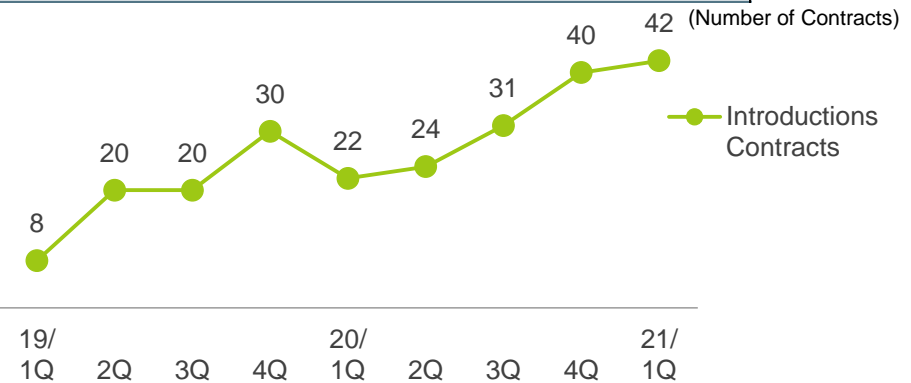
The number of consultations and contracts related to business matching, M&A and HR introduction continued to increase by strengthening consulting functions.

We compiled a collection of case studies on solutions to the apparent issues during the COVID-19 pandemic. Through sharing it with our customers and providing a more concrete consulting menu, we will support our customers' growth.

Business Matching / M&A



HR Introduction



Utilization of a Collection of Case Studies on Solutions



<Examples of Consulting>

- ✓ We had deep discussions on the theme of business outlook and strategy for the future. There are many needs related to "organizational management", "M&A" and "Recruitment after COVID-19".
- ✓ Concerning "DX (Digital Transformation) in businesses", we had discussions with customers about advancing IT from understanding the current situation to planning strategic IT (resolution of labor shortage and attendance management, ordering system, inventory management, etc.).
- ✓ We propose and provide optimal solutions responding to various consulting needs identified from discussions.

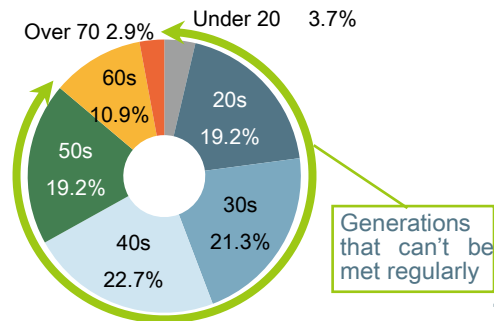
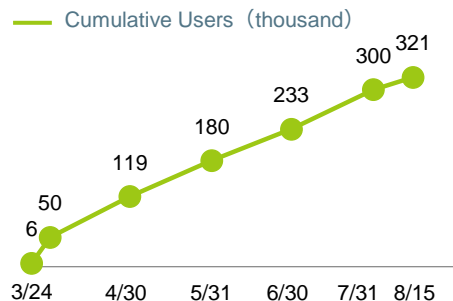
Topics ③ ~ Enhancement of IT Planning and Consulting Services ~

Banking app users are growing steadily. It is also permeating generations who can't be met on a regular basis. In August 2021, Ashikaga Bank will introduce a new self-counter terminal with navigation, as a starting point of efficiency and digitalization of counter operations.

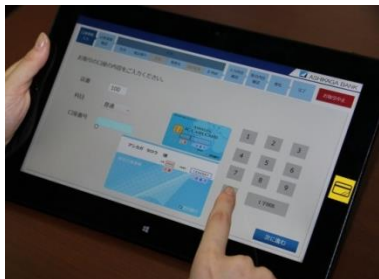
In IT consulting services, we are clarifying customers' issues and providing optimal solutions.

Banking App Users by Age Group

- The number of cumulative App users ("Joyo Banking App" and "Ashikaga Bank App") exceeded 320 thousand.
- The objective of the introduction, "Ensuring points of contact with customers", are being achieved steadily even for generations who cannot meet regularly.



Self-counter Terminal with Navigation



- Customers can apply for various procedures using self-counter terminal.
- Joyo Bank developed and introduced this terminal in 2017. It enables staff with limited business processing knowledge to realize significant time savings for various procedures. → It will be a infrastructure to accelerate expanding new type of branch "Retail Station" with small number of staff and mainly providing consulting services for asset management.
- Ashikaga Bank will introduce it at all branches in August 2021

Support for Digitalization of Customers

- ✓ We are promoting the acquisition of qualifications of IT Coordinator (43 persons*1) and IT Passport (314 persons*1) to enhance knowledge in IT field. (*1) as of August 19
- ✓ Through sharing know-how and working together with external bodies, we are developing high-quality consulting services.
- ✓ We entered into collaboration with IT Coordination Association, a non-profit organization, and 48 external institutions having IT knowledge. Our group companies are working together with those institutions and providing optimal solutions.

<Case Study 1 Support for enhancing productivity and operational efficiency>

- ✓ We had discussions and formulated hypotheses about analysis of current status and issue sharing.
- ✓ We recognized that production management and cross-sectional issue sharing within the company were insufficient, and introduced a production management system.

<Case Study 2 Support for enhancing operational efficiency utilizing AI-OCR>

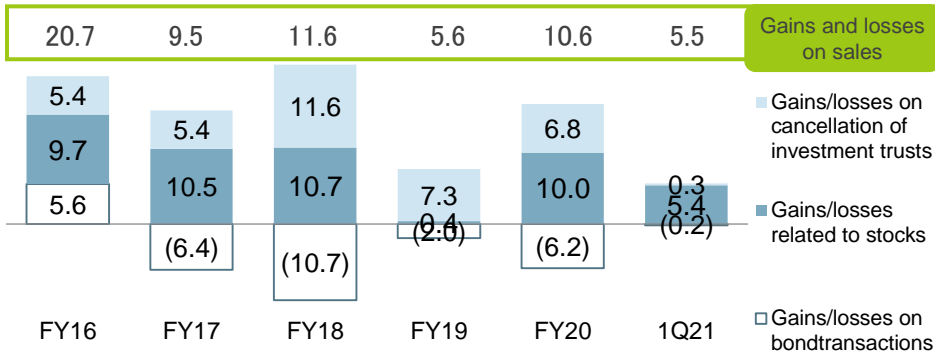
- ✓ In accounting section of a company, visual checks of invoices and delivery notes was recognized as an efficiency problem.
- ✓ By introducing AI-OCR, data entry work was no longer required.
- ✓ Digitizing paper contributed to introduction of telework, too.

Topics ④ ~Securities / Structured Finance / Investment in New Areas ~

Concerning asset management, while gains on securities were realized reasonably by assessing changes in market conditions, unrealized valuation gains on securities remained at a favorable level. We proactively engaged in structured financing and investment or financing in new areas. In light of the current trend toward decarbonization, we continue to expand investment in these areas.

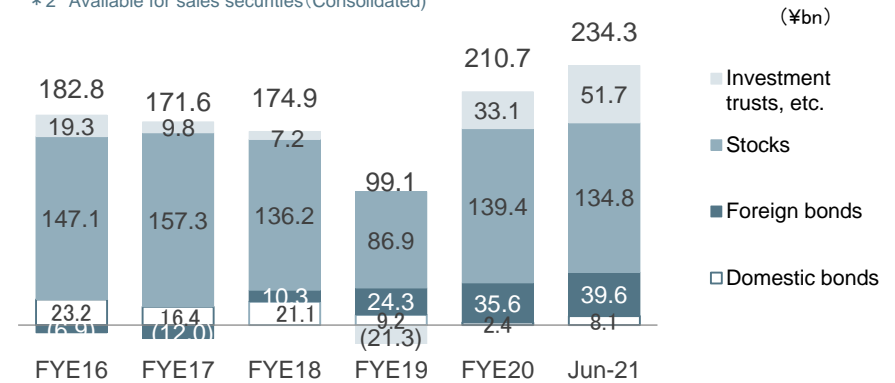
Gains/losses on securities^(*1)

*1 Gains/losses on cancellation of investment trusts +bond transactions +stocks (¥bn)

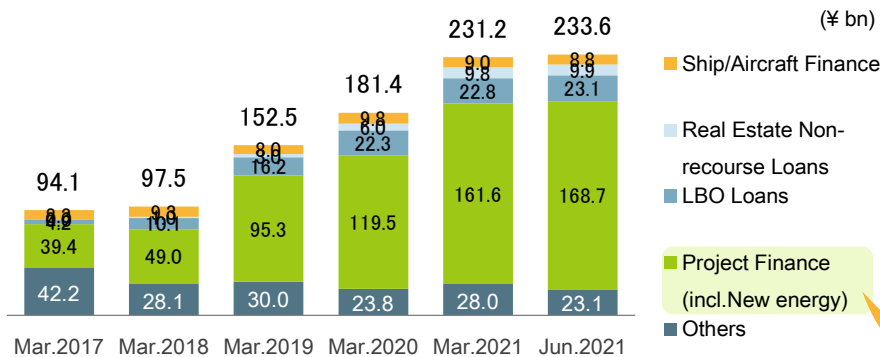


Unrealized valuation gains/losses on securities^(*2)

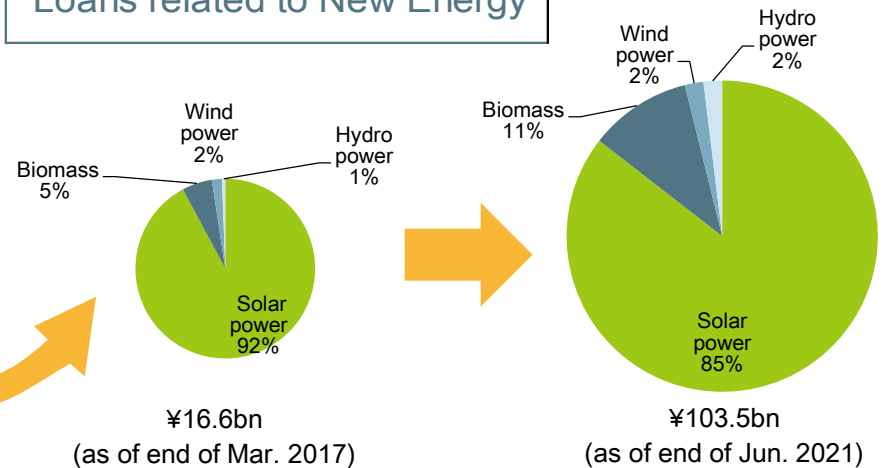
*2 Available for sales securities (Consolidated)



Structured Finance and Investment and Loans in New Areas



Loans related to New Energy

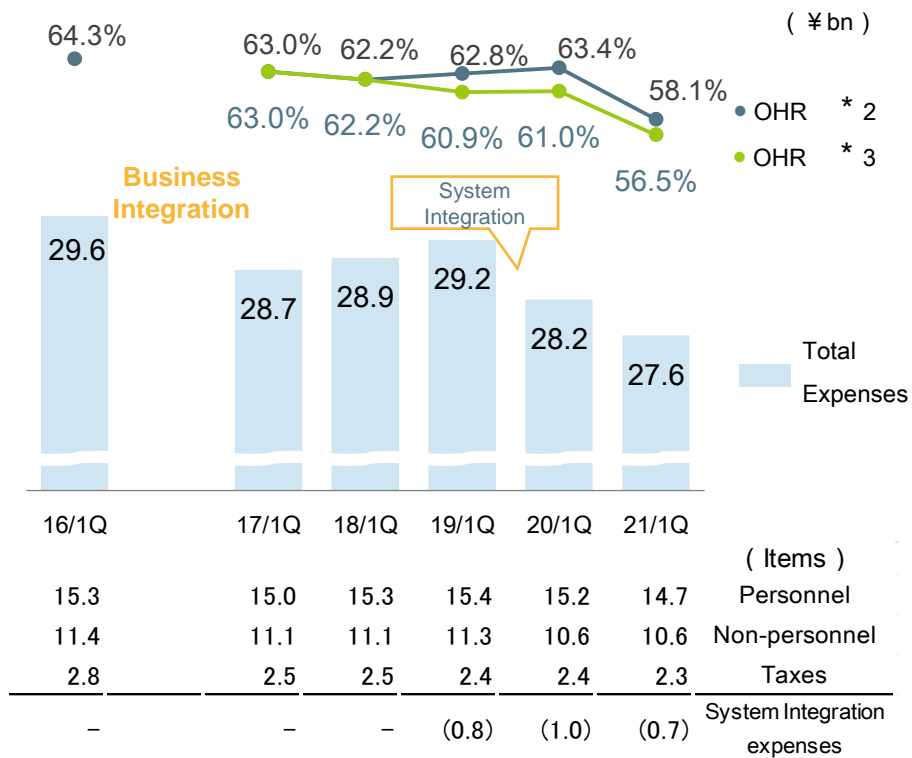


Topics ⑤ ~ Group Profit/Expenses/OHR ~

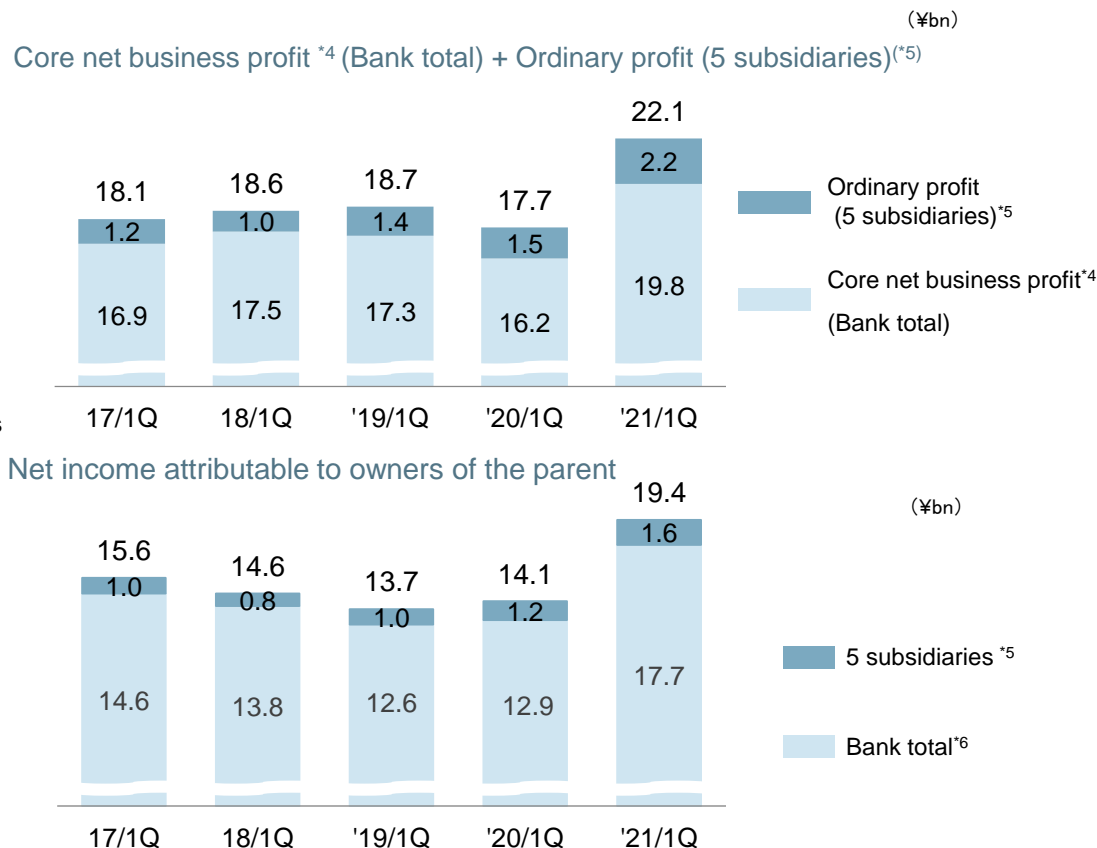
We implemented the structural reform in advance and reduced total expenses more than planned. Furthermore, due to increase of security margins, net fees and commissions and core net business income(*1), indicating the profitability in core business, shifted to an increase.

(*1) Excluding gains /losses on cancellation of investment trusts

Expenses/OHR



Changes of Profit from Group companies



*4 Excluding gains/losses on cancellation of investment trusts

*5 Total of Mebuki Securities, Mebuki Lease, Mebuki Credit Guarantee, Joyo Credit Guarantee and Mebuki Card

*6 Calculated excluding dividends from bank subsidiaries to bank

*2 OHR vs Core Gross Business Profit excl. gains/losses on cancellation of investment trusts

*3 OHR vs Core Gross Business Profit excl. gains/losses on cancellation of investment trusts and system integration expenses

Financial Results for the First Quarter of FY 2021

(Presentation Material released on August.5, 2021)

Loans (1) Term-end Balance

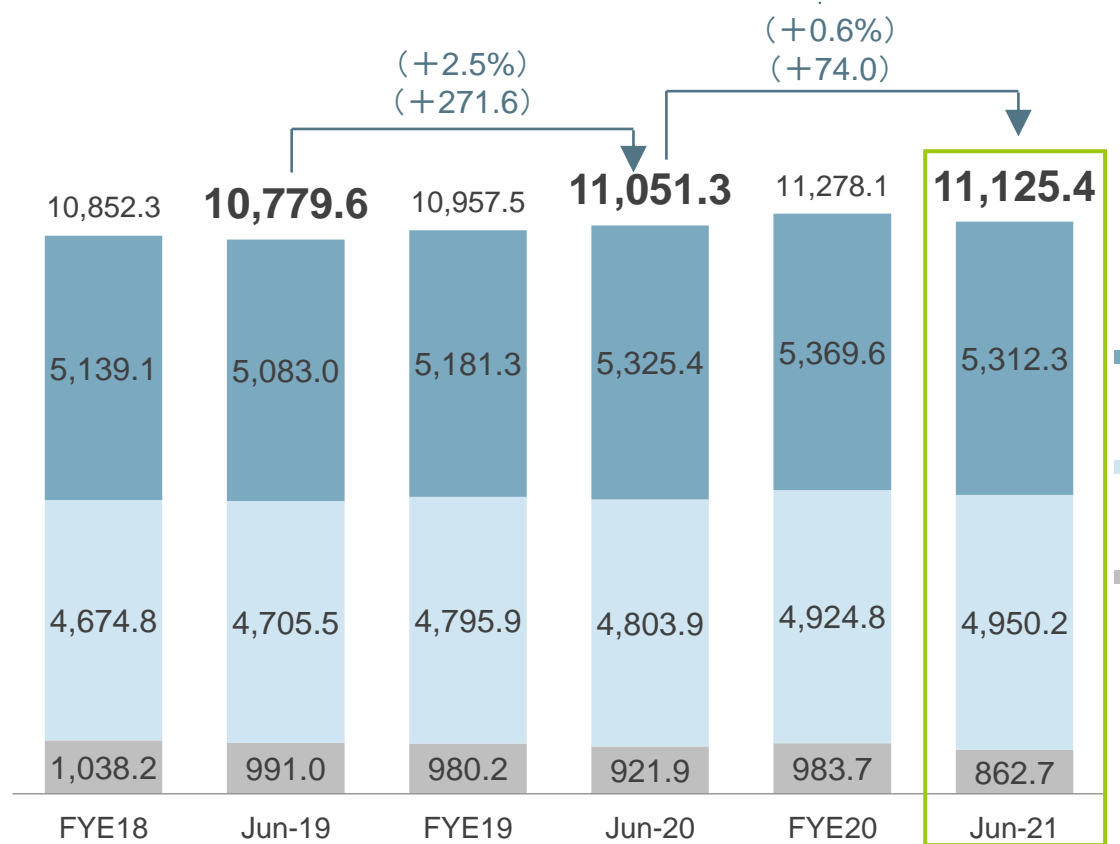
Amount of loans increased by ¥74.0 bn YoY (+0.6% annualized).

Loans to individual customers increased due to increase mainly of housing related loans and unsecured loans by ¥146.2 bn YoY (+3.0% annualized). Loans to corporate customers decreased due to the peaking out of COVID-19 related financing by ¥13.0 bn YoY (-0.2% annualized).

Term-end Balance (Joyo+Ashikaga) (¥bn)

* Not including borrowing from special account of MoF

Year on Year Changes (¥bn)



	Jun-19	Jun-20	Jun-21
Total	+251.8 +2.3%	+271.6 +2.5%	+74.0 +0.6%
Corporate	+157.7 +3.2%	+242.3 +4.7%	-13.0 -0.2%
Individual	+184.6 +4.0%	+98.4 +2.0%	+146.2 +3.0%
Public	-90.6 -8.3%	-69.1 -6.9%	-59.1 -6.4%

Loans to 'borrowing from special account of MoF' (FYE18) (Jun-19) (FYE19) (Jun-20) (FYE20) (Jun-21)
 ¥399.4bn ¥ 596.0bn ¥ 519.8bn ¥ 500.2bn ¥ 521.5bn ¥ 590.9bn

Loans (2) Individual and Corporate Loans

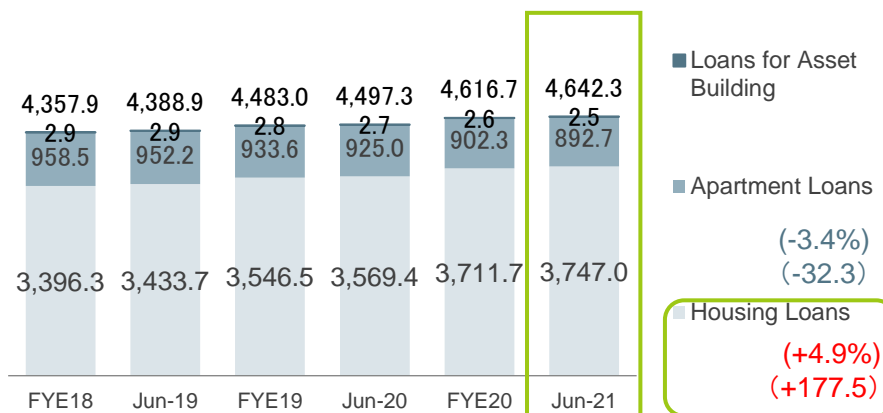
*Figures in parentheses are changes on a year on year basis

Loans to individual customers increased driven by housing related loans (+¥177.5 bn) and car loans (+¥12.6 bn).

Loans to corporate customers decreased due to the peaking out of COVID-19 related financing and the reduction of balance of loans to large companies in Tokyo.

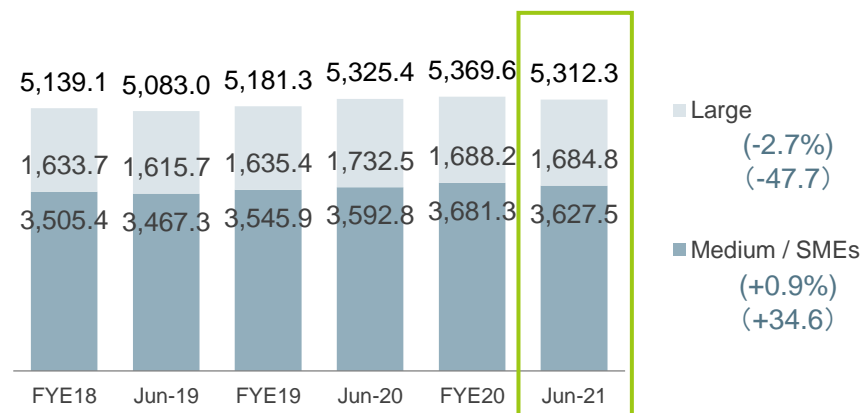
【Individual】Housing Related Loans

(¥ bn)



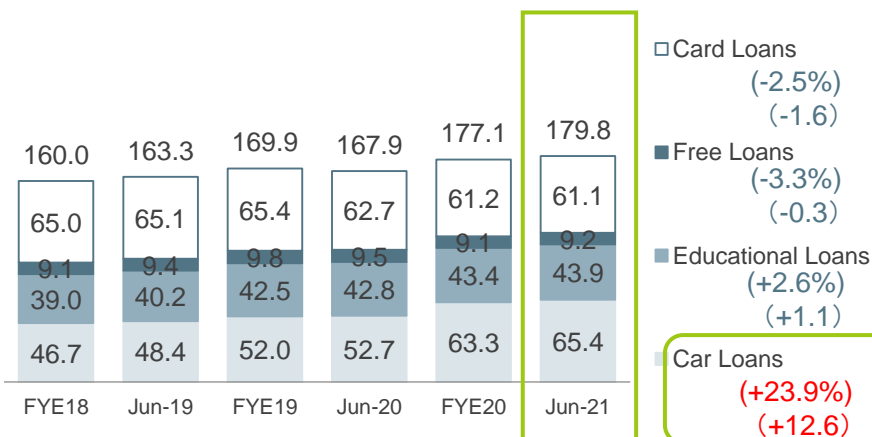
【Corporate】Term-end Balance by Company Size

(¥ bn)



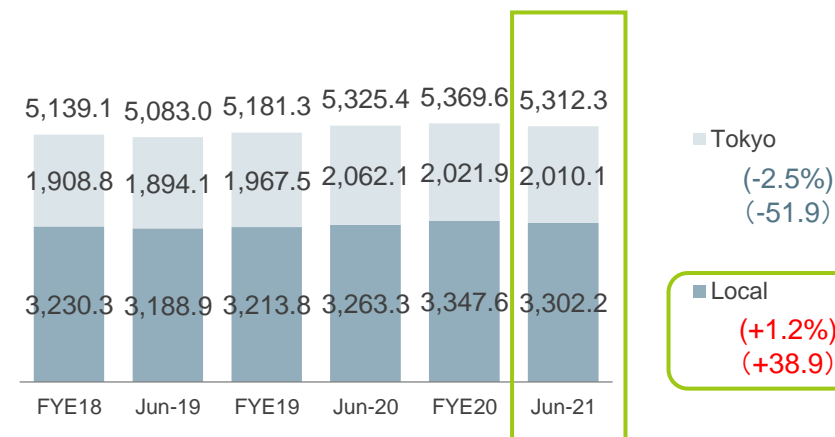
【Individual】Unsecured Loans

(¥ bn)



【Corporate】Term-end Balance by Area

(¥ bn)



Average Yield of Loans / Net Interest Income

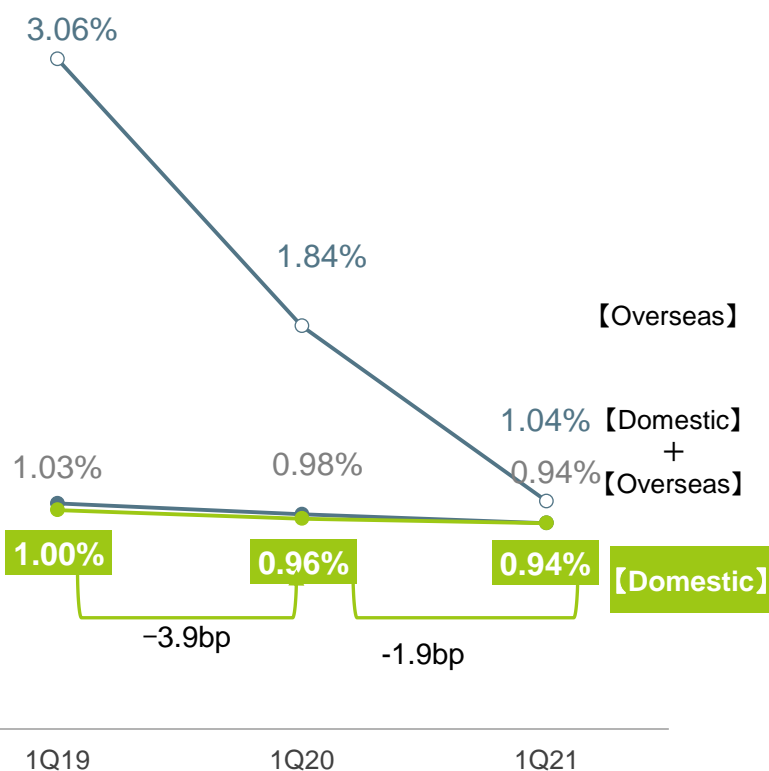
While the average yield remains in a decreasing trend, the decrease of domestic loans reduced by half during the previous period (1Q20: -3.9bp →1Q21: -1.9bp). Difference of interests between loans and deposits turned slightly positive due to mainly decrease of interest on foreign currency deposits.

Interest income including securities' income, excluding gains on cancellation of private offering investment trusts, increased by ¥ 1.7 bn YoY due to decrease of market borrowings.

Average Yield on Loans(Joyo+Ashikaga) (¥bn)

(Domestic and Overseas)

* Not including borrowing from special account of MoF



Change of Interest Income(Joyo+Ashikaga) (¥ bn)

* Not including borrowing from special account of MoF

* Figures in parentheses are changes on a year on year basis

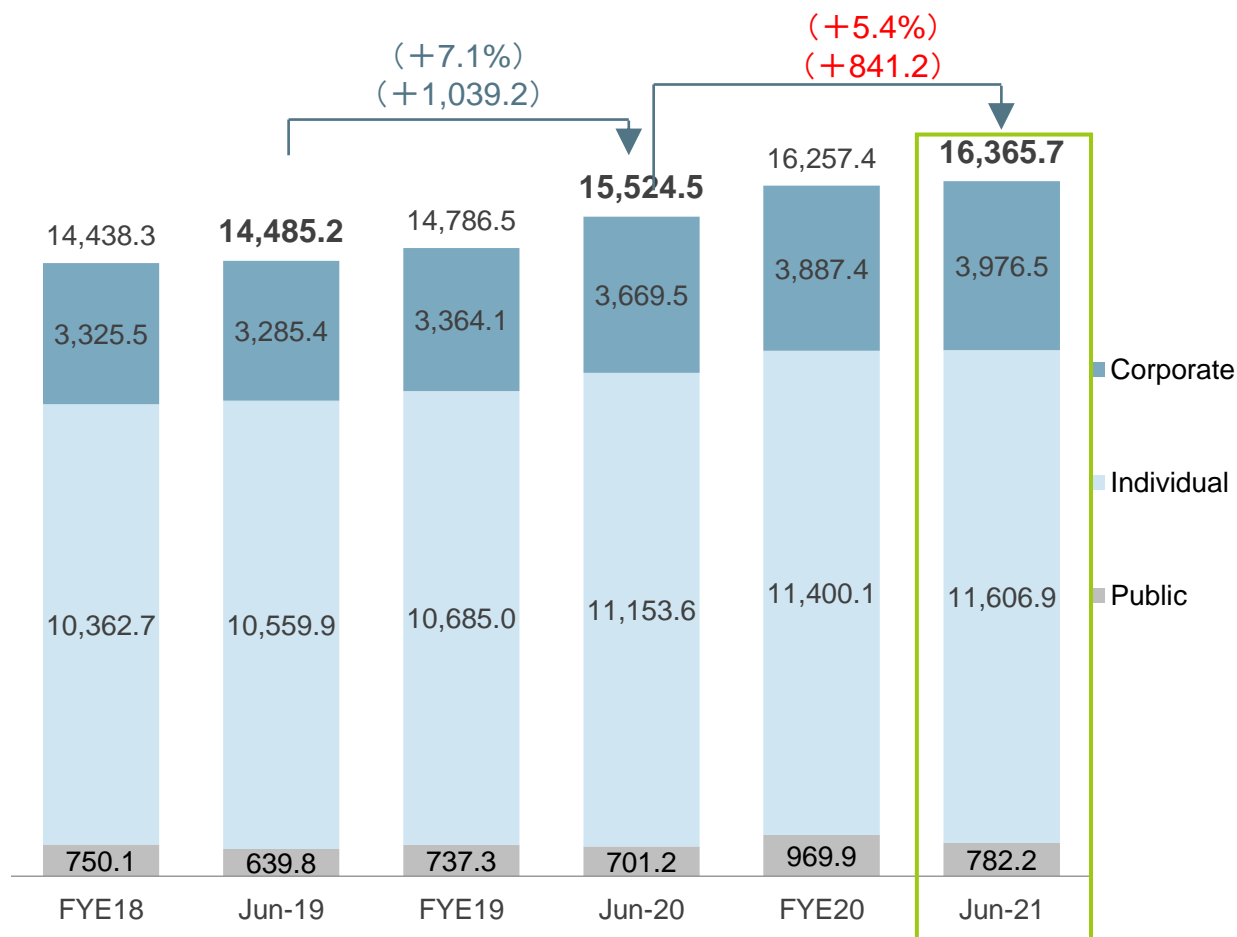
	Results	YoY Change				
		Factor	Domestic	Chg. in Factors	Overseas	Chg. in Factors
Interest on loans and bills discounted	Avg Balance	+0.5	+0.5	(+217.6)	+0.0	(+2.7)
	Yield	-0.9	-0.5	(-1.9bp)	-0.4	(-79.3bp)
	26.4	-0.4	-0.0	—	-0.3	—
Interest on deposits (-)	0.1	-0.4	-0.1	—	-0.3	—
Difference of interests between loans and deposits ①	26.3	+0.0	+0.1	—	-0.0	—
Interest and dividend on securities	Avg Balance	+0.5	+0.0	(+31.5)	+0.5	(+112.7)
	Yield	-0.2	+0.0	(+0.6bp)	-0.2	(-15.1bp)
	11.9	+0.3	+0.1	—	+0.2	—
(o/w gains on cancellation of Investment Trusts)	0.3	+0.1	+0.1	—	+0.0	—
(excluding gains on cancellation of Investment Trusts)	11.6	+0.2	+0.0	—	+0.2	—
Market borrowings, etc. (-)	-0.1	-1.4	-0.5	—	-0.9	—
Securities' Income (excluding gains on cancellation of Investment Trusts) ②	11.7	+1.7	+0.5	—	+1.1	—
Net Interest Income (excluding gains on cancellation of Investment Trusts) ①+②	38.0	+1.7	+0.6	—	+1.0	—

Deposits Term-end Balance

Amount of deposits increased by ¥841.2 bn YoY (+5.4% annualized).

Deposits from all customers remains in an increasing trend.

Term-end Balance (Joyo+Ashikaga) (¥bn)



Year on Year Changes (¥bn)

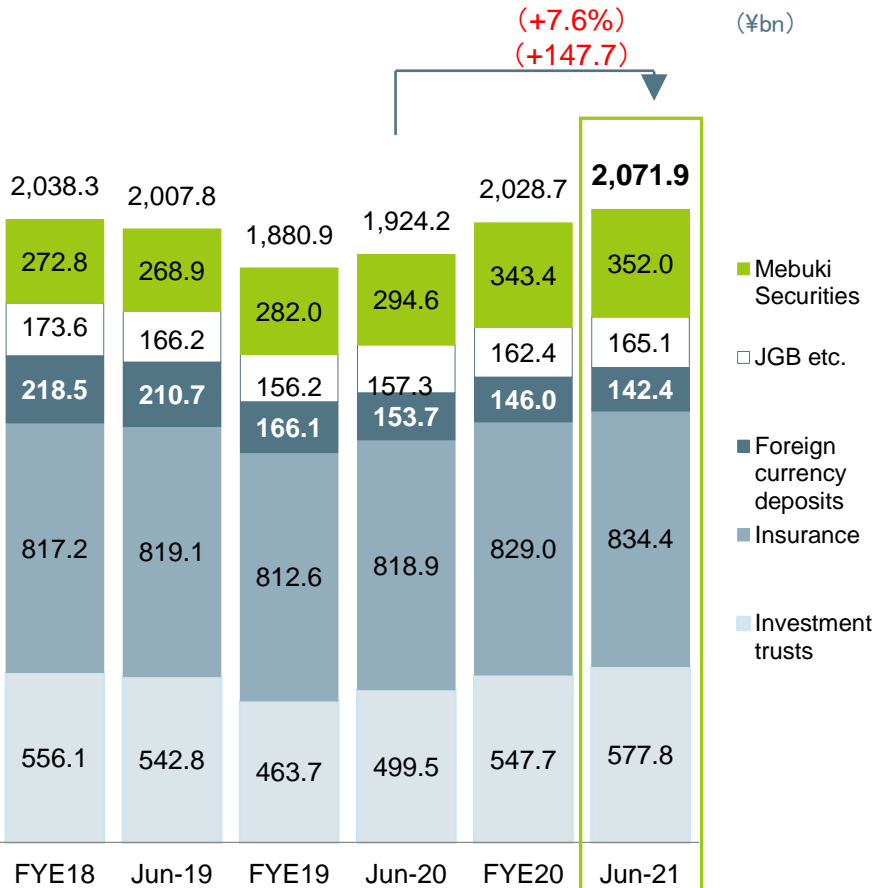
	Jun-19	Jun-20	Jun-21
Total	+304.6	+1,039.2	+841.2
	+2.1%	+7.1%	+5.4%
Corporate	+67.2	+384.1	+306.9
	+2.0%	+11.6%	+8.3%
Individual	+250.9	+593.7	+453.3
	+2.4%	+5.6%	+4.0%
Public	-13.5	+61.4	+80.9
	-2.0%	+9.6%	+11.5%

Customer Assets under Custody

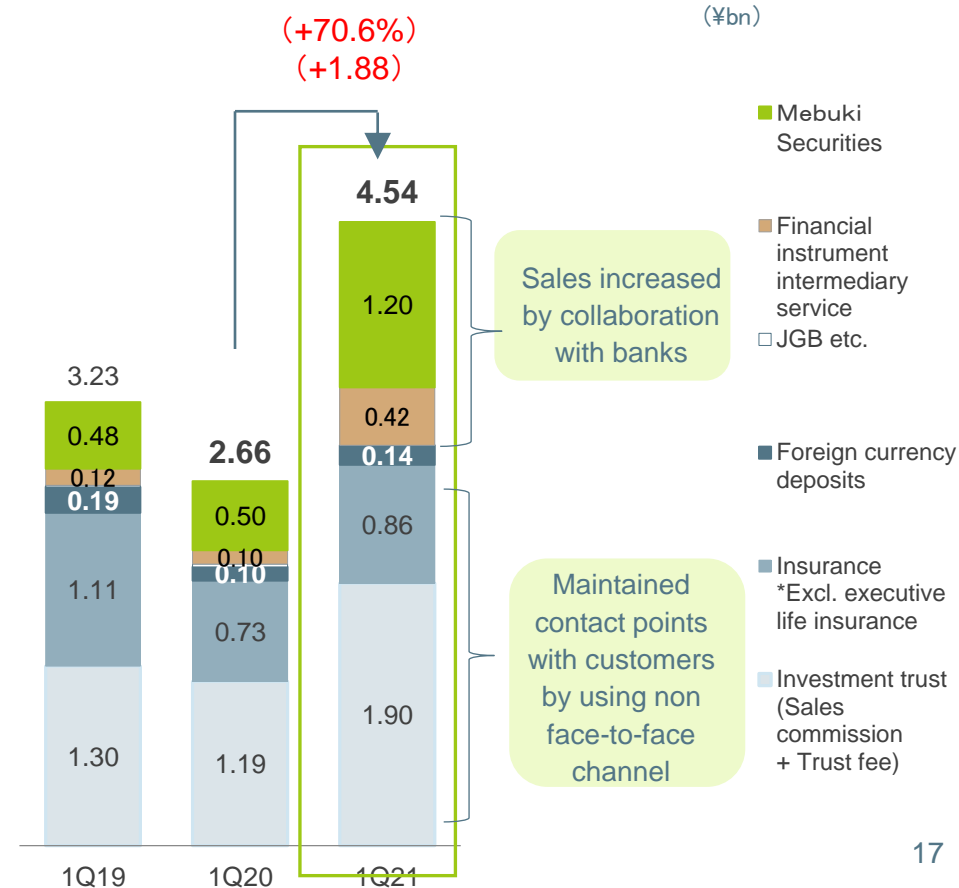
Amount of customer assets under custody increased due to strengthening our consulting activities for individuals and to the enhancement of our collaboration between banking and securities services.

Amount of commissions increased in both Mebuki Securities and the two banks, mainly in investment trust sales. Particularly, due to the enhancement of our collaboration between banking and securities services, the highest level of amount of brokerage commissions since the founding of Mebuki FG were recorded.

Balance (Bank Total + Mebuki Securities)



Commissions (Bank Total + Mebuki Securities)

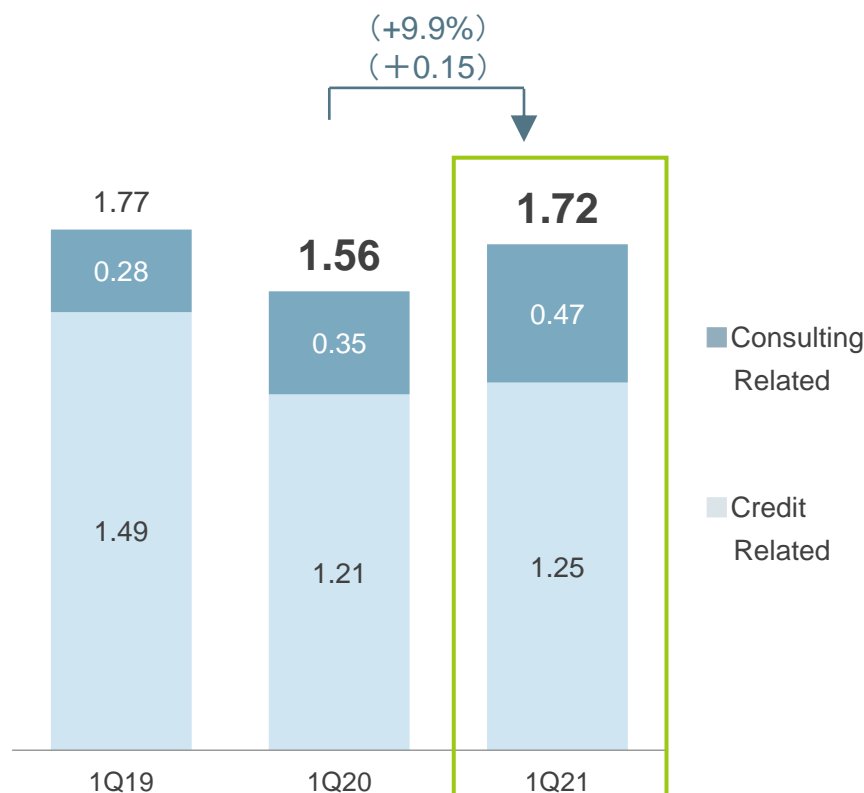


Fees from Corporate Customers

Fees from corporate customers increased by ¥0.15 bn YoY (+9.9% annualized).

Consulting related fees increased mainly due to providing business matching in the prolonged COVID-19 pandemic.

Joyo Bank + Ashikaga Bank (¥bn)



<Breakdown of Fees from Corporate customers>

	1Q19	1Q20	1Q21	YoY
Credit related (1)	1.49	1.21	1.25	+0.03
Derivatives	0.17	0.04	0.24	+0.20
Syndicate loans	1.00	0.87	0.74	-0.12
Private placement bonds	0.31	0.29	0.25	-0.04
Consulting related (2)	0.28	0.35	0.47	+0.12
Business Matching	0.11	0.09	0.25	+0.15
M&A	0.05	0.13	0.07	-0.06
Executive Insurance	0.06	0.08	0.10	+0.01
Trust · 401K	0.04	0.03	0.04	+0.01
Total ((1)+(2))	1.77	1.56	1.72	+0.15

【Business Matching·M&A】

- Responding to customers' needs timely during the COVID-19 impact and providing business matching or consulting services concerning the expansion of sales channels and suppliers

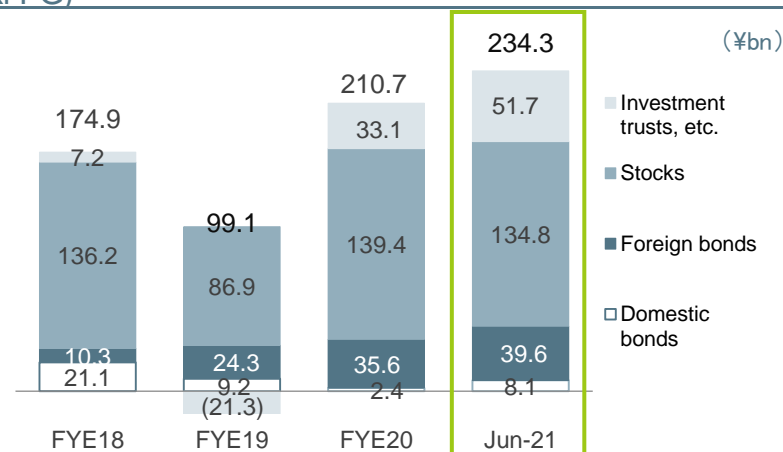
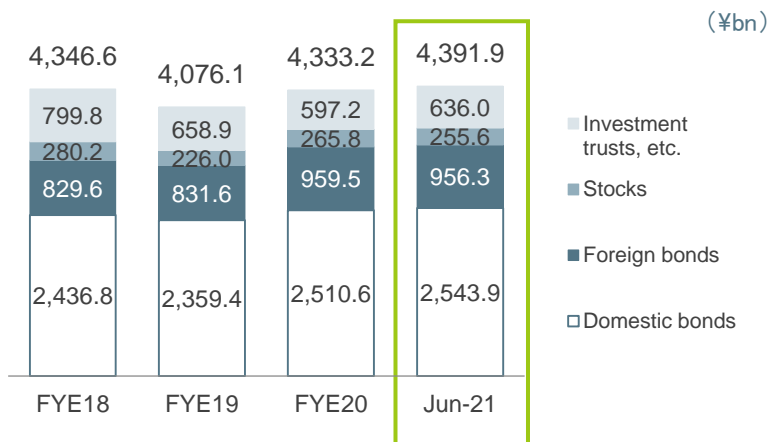
Securities / Strategic Shareholdings

Concerning asset management, we continue to take risks considering market conditions. Unrealized valuation gains/losses on securities expanded to ¥234.3 bn as of June 2021.

We continue to reduce strategic shareholdings. The balance^(*1) was ¥82.6 bn and the ratio^(*2) to net assets declined to 18.6%.
 (*1) The carrying amount of listed stocks (*2) Ratio of balance sheet amount of strategic shareholdings to consolidated net assets

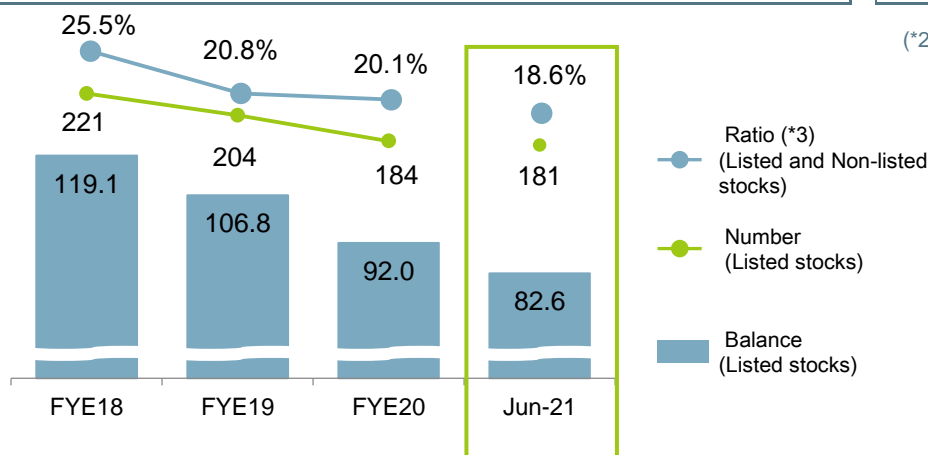
Balance(Carrying amount) (Mebuki FG)

Unrealized valuation gains/losses on available for sales securities (Mebuki FG)

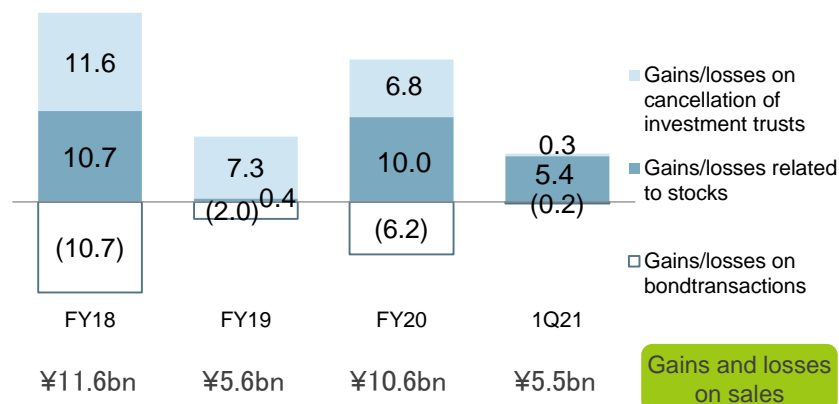


Strategic Shareholdings (¥bn)

Gains and losses on securities^(*2) (¥bn)



(*2) gains/losses on stocks + bond transactions +cancellation of investment trusts



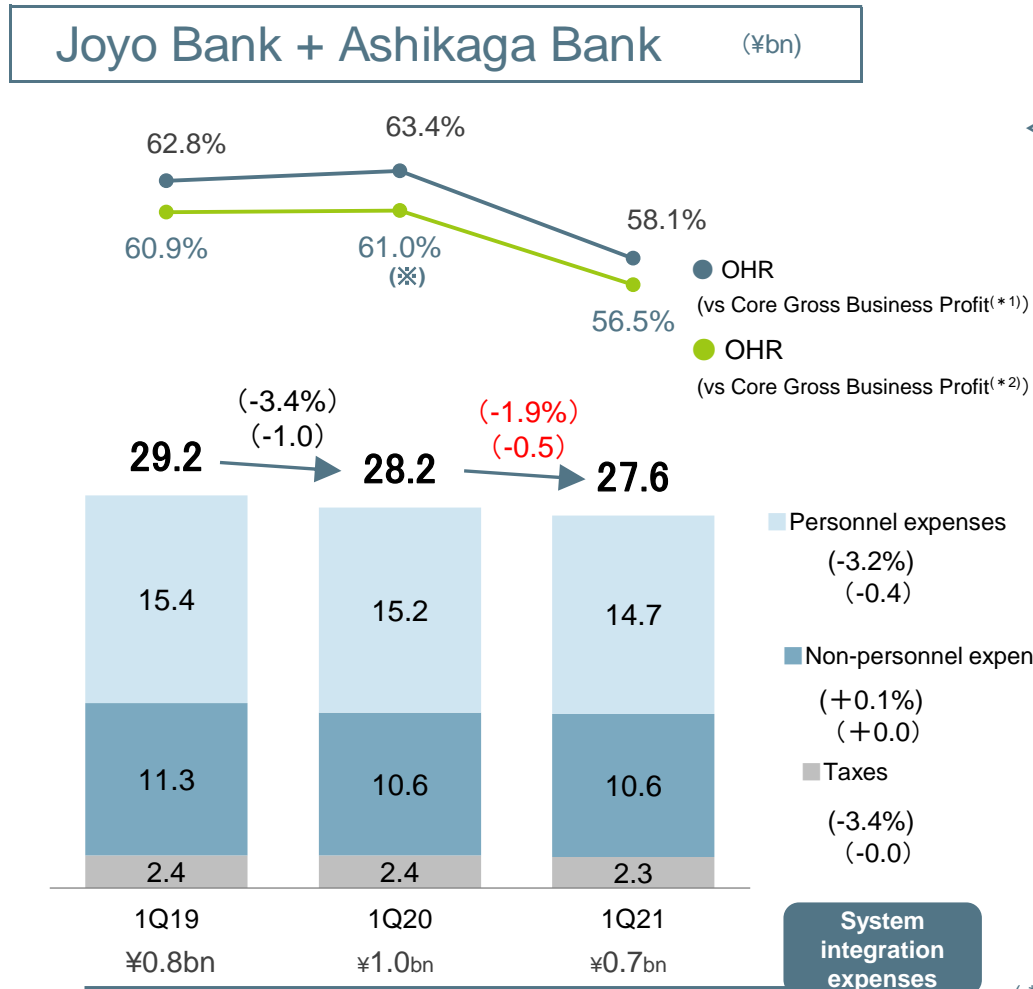
(*3) Ratio of balance sheet amount of strategic shareholdings to consolidated net assets

Gains and losses on sales

Expenses / OHR

Total expenses decreased by ¥0.5 bn YoY (-1.9%) due to acceleration of the structural reform.

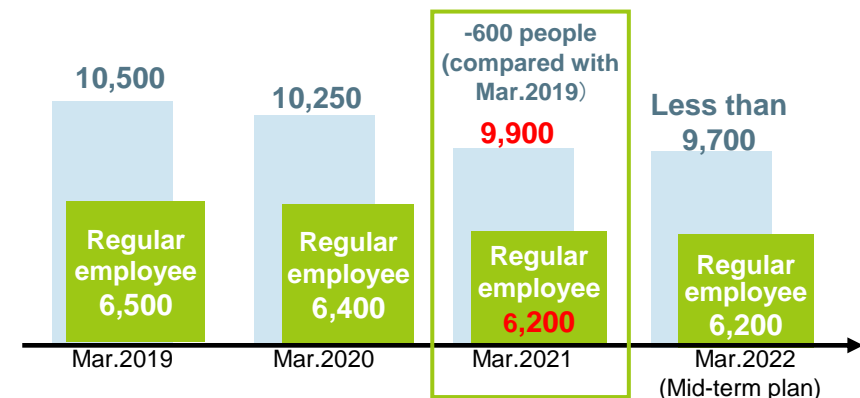
OHR, indicator of efficiency, improved to below 60%.



(*) OHR rose YoY in 1Q of FY2020, because Core Gross Business Profit decreased due to the impact of refraining from visiting customers during COVID-19.

<Reason for the Decrease of Personnel Expenses>

- By the end of Mar. 2021, the number of regular employees decreased by 300 people compared with end of Mar. 2019 to 6,200 people, due to acceleration of the structural reform. We achieved the plan 1 year early.
- Also, the number of total staff decreased by 600 people to 9,900 people. We expect to achieve the plan.



(*1) Excluding gains /losses on cancellation of investment trusts

(*2) Excluding gains /losses on cancellation of investment trusts and system integration expenses

Credit Related Costs

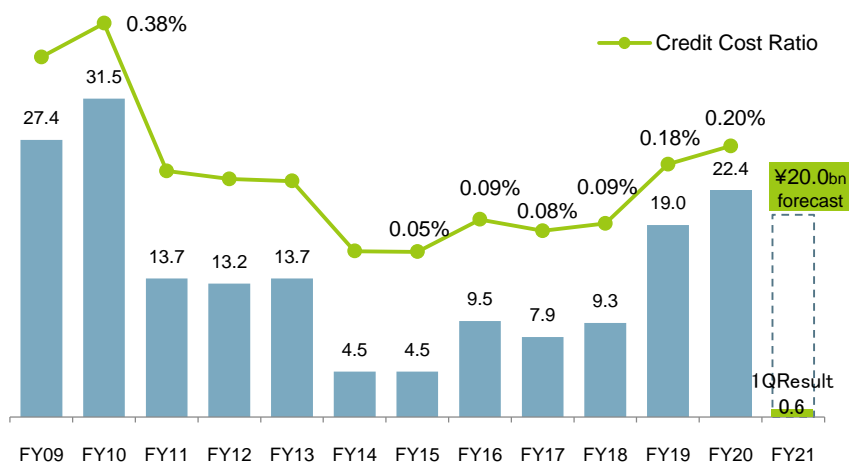
Credit related costs decreased by ¥2.4bn mainly due to the effect of preventive reserve for loan losses in previous fiscal year.

However, considering the current uncertainty of expansion of the COVID-19 pandemic again, we maintain a conservative forecast of ¥20.0bn for the credit related costs in FY21.

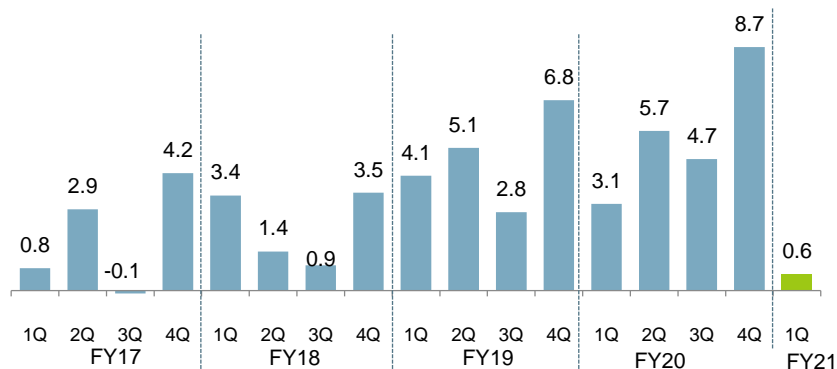
Change of Credit Related Costs (¥bn)

(¥bn)

【Annual】FY09~



【Quarter】FY17~



Breakdown on Credit Related Costs (¥bn)

(¥bn)

	1Q20	1Q21	YoY
Credit Related Costs	3.1	0.6	-2.4
Net transfer to general allowance for loan losses	1.0	0.0	-0.9
Disposal of non-performing loans	2.0	0.5	-1.5
Write off of loans	0.9	0.6	-0.2
Transfer to specific allowance for loan losses	1.4	0.3	-1.0
Transfer to provision for contingent losses	-0.2	0.0	+0.2
Recoveries of written-off claims	0.3	0.7	+0.3
Other	0.3	0.2	-0.0

Change of terms and conditions of loans due to COVID-19 (Cumulative total until Jun.2021)

							Cumulative Total	The ratio of total customers
		~ Jun.	Jul~ Sep	Oct~ Dec	Jan~ Mar	Apr~ Jun		
Business loans	Customers	925	382	358	271	335	2,271	Around 4.0%
	Contracts	2,659	1,440	1,739	1,549	2,446	9,833	
Housing loans	Customers	293	140	90	99	104	726	Around 0.3%
	Contracts	329	148	124	128	152	881	

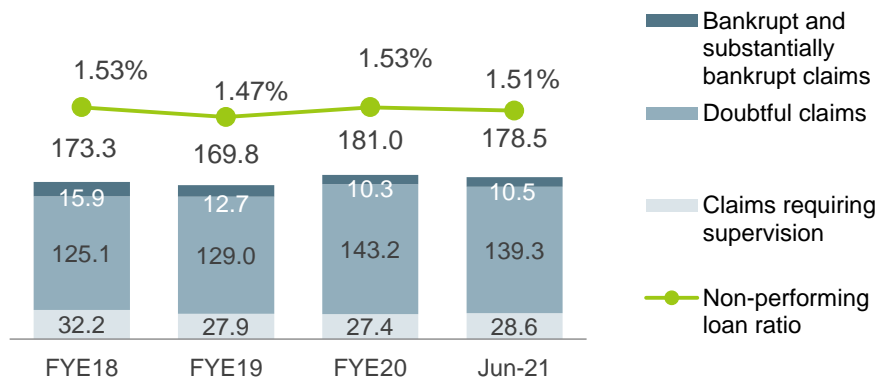
Status of Non-performing Loans and Delinquent Loans

Amount of non-performing loans based on financial revitalization law and ratio declined from Mar.31, 2021. Although number of delinquent loans has remained flat and bankruptcies have remained stable, we continue to monitor the impact of COVID-19.

Non-performing Loans

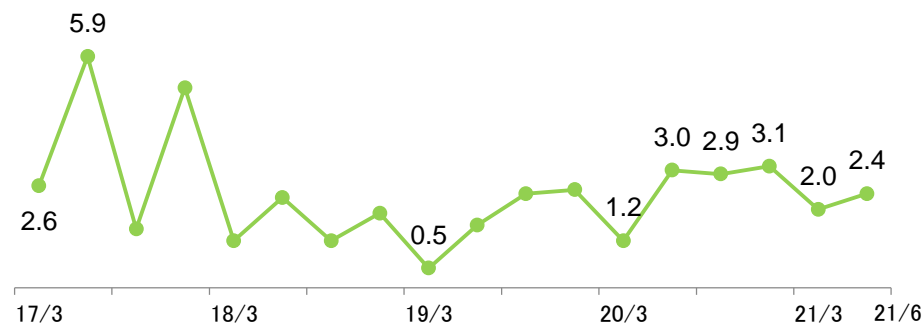
(¥bn)

(Financial Revitalization Law)



Status of Delinquent Loans to Businesses

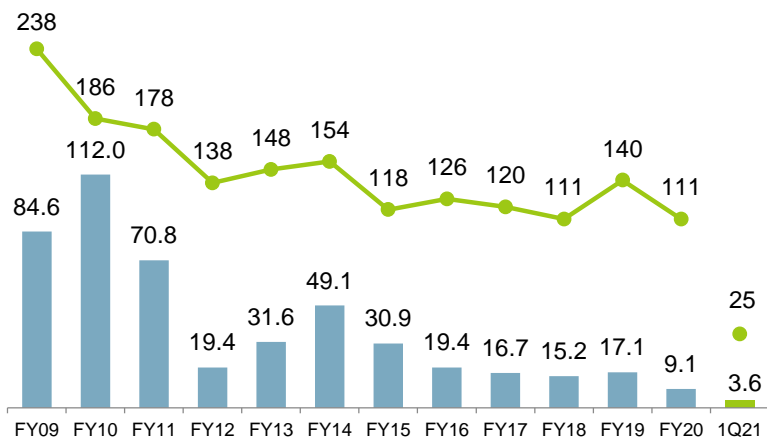
(¥bn)



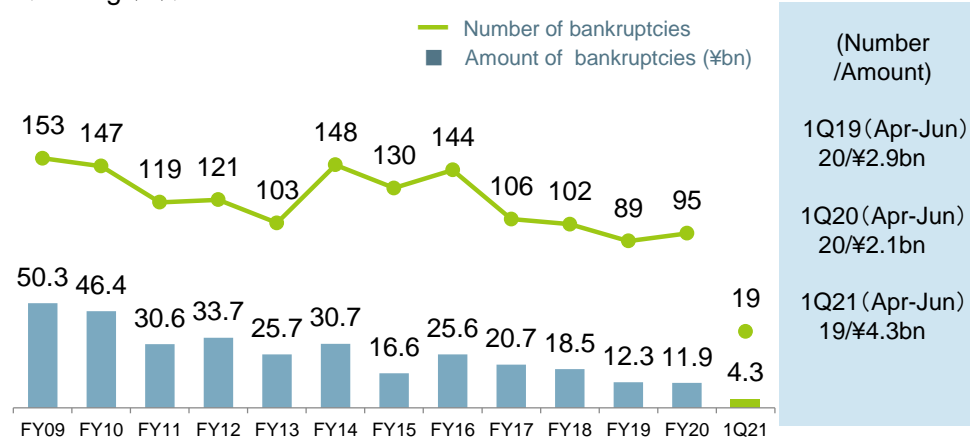
【Reference】Status of Bankruptcy

Number of bankruptcies (Total liabilities amounting to 10 million yen or more) ~by Tokyo Chamber of Commerce

<Ibaraki>



<Tochigi(*1)>



(*1) Specific major borrower's bankruptcy of ¥43.3bn in FY11 is excluded from figures below.

Dividends, Shareholder Returns, Capital Adequacy Ratio

Annual dividends of ¥11.0 per share in FY21 is scheduled, on the same level of FY20.

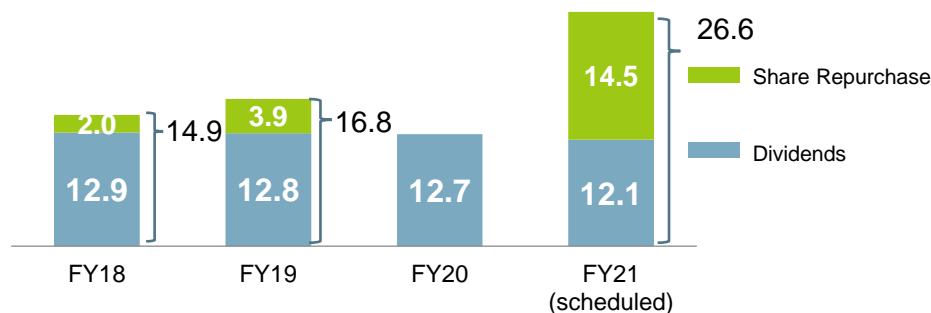
Shareholder Return Policy

- We will target a Total Return Ratio^(*) of 30% or more while taking into account both the maintenance of solid capital levels for future growth and the appropriate distribution of profits to our shareholders. We will continue to consider the dividend level.

(*) Total Return Ratio = (Total amount of dividends + Total amount of acquisition of own shares) / Net income

Results of Returns

- Annual dividends of ¥11.0 per share in FY21 is scheduled



Dividends per share	¥11	¥11	¥11	¥11 (scheduled)
Payout Ratio	27.8%	35.3%	34.9%	31.8%
Total Return Ratio	32.3%	46.2%	34.9%	70.0%

Capital Adequacy Ratio

	Mebuki FG (Consolidated)	Joyo (Consolidated)	Ashikaga (Consolidated)
FYE18	9.94%	11.91%	8.55%
FYE19	10.95%	12.22%	9.45%
FYE20	10.87%	12.18%	9.51%
Jun-20	10.87%	12.34%	9.61%

(*) As of March 31, 2020, Ashikaga Bank started to calculate each risk-weighted asset according to foundation internal rating-based approach (FIRB)

Forecast for FY2021

Mebuki FG

(consolidated)

(¥bn)

	Forecast for FY2021	1Q21 Results	Progress
Ordinary Profit	55.0	26.6	48.5%
Net Income (Attributable to owners of the parent)	38.0	18.7	49.4%

Total of Two Banking Subsidiaries

(¥bn)

	Forecast for FY2021	1Q21 Results	Progress
Ordinary Profit	53.0	25.1	47.3%
Net Income	36.5	17.7	48.7%
(Credit Related Costs)	20.0	0.6	3.2%

Subsidiary Banks

(Joyo)

(¥bn)

	Forecast for FY2021	1Q21 Results	Progress
Ordinary Profit	35.5	17.7	49.9%
Net Income	24.5	12.6	51.4%

(Ashikaga)

(¥bn)

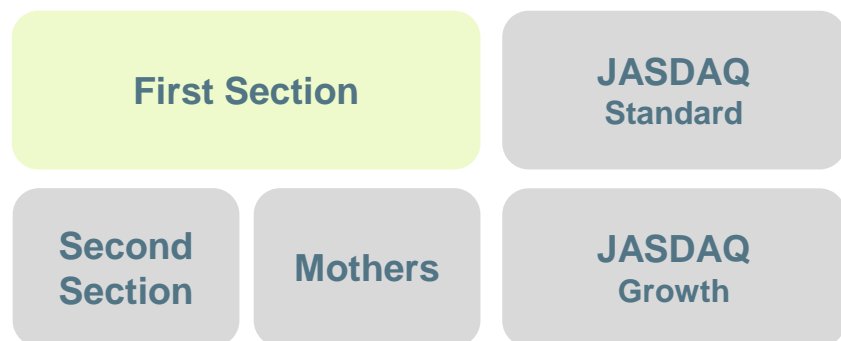
	Forecast for FY2021	1Q21 Results	Progress
Ordinary Profit	17.5	7.3	42.2%
Net Income	12.0	5.1	43.1%

(Reference) New Market Segments of Tokyo Stock Exchange

Mebuki FG has met the continued listing requirements for the "**Prime Market**" in relation to the new market segments of the Tokyo Stock Exchange scheduled for transition in April 2022.

Overview of Market Structure Review

【Current】



【After Review (April 4, 2022)】



Status of Mebuki FG

Criteria	Continued Listing Requirements for the Prime Market	Mebuki FG ※
Number of Tradable Shares	At least 20,000 units	8.51 million units
Tradable Share Market Capital	At least ¥10 bn	¥205.9 bn
Tradable Share Ratio	At least 35 %	72 %
Trading Value	At least daily JPY avg. ¥0.02 bn	Daily JPY avg. ¥1.29 bn

※The figures are based on the evaluation result in relation to our status of conformity with the continued listing requirements provided by the Tokyo Stock Exchange on the "Base Date for Transition" (June 30, 2021).

【Financial Data for 1Q21】

【Data】 Breakdown of Banking subsidiaries

(1) P/L for 1Q21		(¥ b n)					
	J+A	YoY	Joyo	YoY	Ashikaga	YoY	
Gross business profit	47.6	+2.9	27.9	+2.0	19.6	+0.9	
(Core Gross business profit)	47.8	+3.2	28.1	+2.2	19.7	+1.0	
Net interest income	38.3	+1.8	22.1	+1.1	16.2	+0.6	
o/w Gains/losses on Cancellation of Private Offering Investment Trusts	0.3	+0.1	0.3	+0.3	0.0	-0.1	
Net fees and commissions	9.0	+1.2	5.7	+0.9	3.3	+0.2	
Net other business income and Net trading income	0.1	-0.0	0.0	-0.1	0.1	+0.0	
(o/w gains/losses on bond transactions)	-0.2	-0.2	-0.1	-0.1	-0.0	-0.0	
Expenses	27.6	-0.5	15.4	-0.3	12.1	-0.2	
o/w Personnel expenses	14.7	-0.4	8.2	-0.1	6.4	-0.3	
o/w Non-personnel expenses	10.6	+0.0	5.9	-0.1	4.7	+0.1	
Net business income (before general allowance for loan losses)	19.9	+3.5	12.4	+2.3	7.5	+1.1	
Core net business income	20.2	+3.7	12.6	+2.5	7.5	+1.2	
Core net Business Income (exclu. Gains/losses on Cancellation of Investment Trusts)	19.8	+3.6	12.3	+2.2	7.5	+1.4	
Net transfer to general allowance for loan losses (a)	0.0	-0.9	0.0	-0.4	-0.0	-0.5	
Net business income	19.8	+4.5	12.3	+2.7	7.5	+1.7	
Net non-recurrent gains/losses	5.2	+1.6	5.3	+2.7	-0.1	-1.1	
o/w Disposal of non-performing loans (b)	0.5	-1.5	-0.3	-2.2	0.9	+0.7	
o/w Gains/losses related to stocks, etc	5.4	-0.5	4.7	+0.1	0.7	-0.6	
Ordinary profit	25.1	+6.1	17.7	+5.5	7.3	+0.5	
Extraordinary income/losses	0.0	-2.3	0.0	+0.5	0.0	-2.9	
Net income	17.7	+1.8	12.6	+4.3	5.1	-2.4	
Credit related costs (a)+(b)	0.6	-2.4	-0.2	-2.6	0.9	+0.1	

(2) Average Yield on Loans(excluding borrowing from special account of MoF)

		FY18	FY19	FY20	1Q21	YoY	1Q20
J+A	Domestic	1.03%	0.99%	0.96%	0.94%	-0.02%	0.96%
	Overseas	2.92%	2.67%	1.29%	1.04%	-0.79%	1.84%
	Total	1.06%	1.02%	0.96%	0.94%	-0.03%	0.98%
Joyo	Domestic	1.00%	0.97%	0.93%	0.92%	-0.02%	0.94%
	Overseas	2.95%	2.69%	1.30%	1.04%	-0.81%	1.86%
	Total	1.04%	1.01%	0.94%	0.92%	-0.04%	0.97%
Ashikaga	Domestic	1.07%	1.02%	0.99%	0.97%	-0.02%	0.99%
	Overseas	2.67%	2.48%	1.19%	0.99%	-0.70%	1.70%
	Total	1.08%	1.03%	0.99%	0.97%	-0.02%	1.00%

【Data】 Breakdown of Banking subsidiaries

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A	Individual	4,674.8	4,795.9	4,924.8	4,950.2	+146.2	4,803.9
	Corporate	5,139.1	5,181.3	5,369.6	5,312.3	-13.0	5,325.4
	Public	1,038.2	980.2	983.7	862.7	-59.1	921.9
	Total	10,852.3	10,957.5	11,278.1	11,125.4	+74.0	11,051.3
Joyo	Individual	2,570.2	2,624.6	2,687.7	2,696.8	+68.1	2,628.7
	Corporate	2,974.3	3,002.6	3,103.0	3,079.9	-18.6	3,098.6
	Public	650.7	612.8	562.7	544.4	-70.6	615.1
Total	6,195.3	6,240.1	6,353.6	6,321.3	-21.1	6,342.4	
Ashikaga	Individual	2,104.6	2,171.3	2,237.0	2,253.3	+78.0	2,175.2
	Corporate	2,164.8	2,178.6	2,266.5	2,232.4	+5.6	2,226.7
	Public	387.5	367.4	420.9	318.3	+11.5	306.7
	Total	4,657.0	4,717.3	4,924.5	4,804.0	+95.2	4,708.8

*Excluding borrowing from special account of MoF

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A		145.8	164.2	162.6	161.8	-3.4	165.2
Joyo		126.8	146.8	150.0	149.2	+1.2	148.0
Ashikaga		19.0	17.3	12.6	12.6	-4.6	17.2

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A	Housing Loans	3,396.3	3,546.5	3,711.7	3,747.0	+177.5	3,569.4
	Apartment Loans	958.5	933.6	902.3	892.7	-32.3	925.0
	Asset building loans	2.9	2.8	2.6	2.5	-0.2	2.7
	Total	4,357.9	4,483.0	4,616.7	4,642.3	+144.9	4,497.3
Joyo	Housing Loans	1,640.6	1,719.5	1,809.7	1,827.2	+92.4	1,734.8
	Apartment Loans	769.1	748.6	722.8	715.3	-26.9	742.2
	Asset building loans	2.9	2.8	2.6	2.5	-0.2	2.7
Total	2,412.7	2,471.1	2,535.1	2,545.1	+65.2	2,479.9	
Ashikaga	Housing Loans	1,755.7	1,826.9	1,902.0	1,919.7	+85.1	1,834.6
	Apartment Loans	189.3	185.0	179.5	177.3	-5.4	182.8
	Asset building loans	-	-	-	-	-	-
	Total	1,945.1	2,011.9	2,081.5	2,097.1	+79.6	2,017.4

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A	Car Loans	46.7	52.0	63.3	65.4	+12.6	52.7
	Educational Loans	39.0	42.5	43.4	43.9	+1.1	42.8
	Free Loans	9.1	9.8	9.1	9.2	-0.3	9.5
	Card Loans	65.0	65.4	61.2	61.1	-1.6	62.7
	Total	160.0	169.9	177.1	179.8	+11.8	167.9
Joyo	Car Loans	32.2	35.2	45.4	46.9	+10.9	35.9
	Educational Loans	31.9	34.0	34.3	34.6	+0.5	34.0
	Free Loans	2.2	3.5	3.6	3.7	+0.1	3.6
	Card Loans	26.5	26.0	23.7	23.4	-1.0	24.4
Total	93.0	98.8	107.1	108.7	+10.5	98.1	
Ashikaga	Car Loans	14.5	16.8	17.8	18.5	+1.7	16.8
	Educational Loans	7.0	8.5	9.1	9.3	+0.5	8.7
	Free Loans	6.8	6.2	5.4	5.5	-0.4	5.9
	Card Loans	38.4	39.4	37.5	37.6	-0.5	38.2
	Total	66.9	71.0	70.0	71.0	+1.2	69.8

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A	Large	1,633.7	1,635.4	1,688.2	1,684.8	-47.7	1,732.5
	Medium/SMEs	3,505.4	3,545.9	3,681.3	3,627.5	+34.6	3,592.8
	Total	5,139.1	5,181.3	5,369.6	5,312.3	-13.0	5,325.4
Joyo	Large	1,159.1	1,165.1	1,220.6	1,221.0	-21.8	1,242.8
	Medium/SMEs	1,815.1	1,837.4	1,882.3	1,858.9	+3.1	1,855.7
	Total	2,974.3	3,002.6	3,103.0	3,079.9	-18.6	3,098.6
Ashikaga	Large	474.5	470.2	467.6	463.7	-25.8	489.6
	Medium/SMEs	1,690.2	1,708.4	1,798.9	1,768.6	+31.5	1,737.1
	Total	2,164.8	2,178.6	2,266.5	2,232.4	+5.6	2,226.7

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A	Tokyo	1,908.8	1,967.5	2,021.9	2,010.1	-51.9	2,062.1
	Local	3,230.3	3,213.8	3,347.6	3,302.2	+38.9	3,263.3
	Total	5,139.1	5,181.3	5,369.6	5,312.3	-13.0	5,325.4
Joyo	Tokyo	1,378.3	1,422.6	1,484.1	1,478.6	-22.3	1,501.0
	Local	1,596.0	1,579.9	1,618.9	1,601.2	+3.6	1,597.6
	Total	2,974.3	3,002.6	3,103.0	3,079.9	-18.6	3,098.6
Ashikaga	Tokyo	530.5	544.8	537.8	531.4	-29.6	561.0
	Local	1,634.2	1,633.8	1,728.7	1,700.9	+35.2	1,665.7
	Total	2,164.8	2,178.6	2,266.5	2,232.4	+5.6	2,226.7

【Data】 Breakdown of Banking subsidiaries

(8) Deposits Term-end Balance (Yen-denominated + Foreign currency) (¥ b n)

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A	Individual	10,362.7	10,685.0	11,400.1	11,606.9	+453.3	11,153.6
	Corporate	3,325.5	3,364.1	3,887.4	3,976.5	+306.9	3,669.5
	Public	750.1	737.3	969.9	782.2	+80.9	701.2
	Total	14,438.3	14,786.5	16,257.4	16,365.7	+841.2	15,524.5
Joyo	Individual	6,440.1	6,633.6	7,053.1	7,176.3	+251.9	6,924.4
	Corporate	1,835.4	1,880.3	2,136.5	2,165.4	+120.2	2,045.2
	Public	453.6	459.2	515.8	482.2	+51.2	430.9
	Total	8,729.1	8,973.1	9,705.5	9,824.0	+423.3	9,400.7
Ashikaga	Individual	3,922.5	4,051.4	4,346.9	4,430.5	+201.4	4,229.1
	Corporate	1,490.1	1,483.8	1,750.8	1,811.0	+186.7	1,624.2
	Public	296.5	278.1	454.1	300.0	+29.7	270.3
	Total	5,709.2	5,813.4	6,551.9	6,541.7	+417.8	6,123.8

Foreign Currency Deposit (¥ b n)

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
J+A		306.0	219.7	180.1	183.4	-7.8	191.3
Joyo		222.6	176.4	152.0	154.3	-12.1	166.5
Ashikaga		83.3	43.2	28.0	29.0	+4.2	24.8

(9) Customer Assets under Custody Balance (¥ b n)

		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-20
Group total	Investment trusts	556.1	463.7	547.7	577.8	+78.2	499.5
	Insurance	817.2	812.6	829.0	834.4	+15.5	818.9
	Foreign currency deposits	218.5	166.1	146.0	142.4	-11.2	153.7
	JGB etc.	173.6	156.2	162.4	165.1	+7.7	157.3
	Mebuki Securities	272.8	282.0	343.4	352.0	+57.4	294.6
	Total	2,038.3	1,880.9	2,028.7	2,071.9	+147.7	1,924.2
Joyo	Investment trusts	263.3	214.7	249.8	270.4	+41.9	228.4
	Insurance	465.6	471.9	488.5	492.6	+16.3	476.3
	Foreign currency deposits	135.5	122.9	117.9	113.4	-15.4	128.9
	JGB etc.	118.5	104.1	108.2	110.6	+5.7	104.9
Total	983.1	913.8	964.6	987.1	+48.5	938.5	
Ashikaga	Investment trusts	292.8	249.0	297.8	307.4	+36.2	271.1
	Insurance	351.5	340.6	340.5	341.8	-0.8	342.6
	Foreign currency deposits	82.9	43.2	28.0	29.0	+4.2	24.8
	JGB etc.	55.0	52.1	54.2	54.4	+2.0	52.4
Total	782.4	685.0	720.6	732.7	+41.7	691.0	

(10) Customer Assets under Custody Commissions (¥ b n)

		FY18	FY19	FY20	1Q21	YoY	1Q20
Group Total	Investment trusts(*1)	5.69	5.91	6.22	1.90	+0.71	1.19
	Insurance(*2)	4.67	4.26	3.25	0.86	+0.13	0.73
	Foreign currency deposits	0.98	0.68	0.55	0.14	+0.03	0.10
	JGB etc.	0.04	0.08	0.06	0.00	-0.01	0.02
	Financial instrument intermediary service	0.49	0.72	1.13	0.42	+0.31	0.10
	Total	13.84	14.66	14.93	4.54	+1.88	2.66
Joyo	Investment trusts(*1)	2.63	2.83	2.93	0.98	+0.44	0.54
	Insurance(*2)	2.12	2.61	2.06	0.51	+0.04	0.46
	Foreign currency deposits	0.70	0.50	0.39	0.10	+0.01	0.08
	JGB etc.	0.03	0.05	0.05	0.00	-0.01	0.01
	Financial instrument intermediary service	0.27	0.43	0.75	0.31	+0.25	0.05
	Total	5.77	6.44	6.20	1.91	+0.75	1.16
Ashikaga	Investment trusts(*1)	3.06	3.08	3.29	0.92	+0.27	0.65
	Insurance(*2)	2.55	1.64	1.18	0.35	+0.08	0.27
	Foreign currency deposits	0.28	0.18	0.15	0.04	+0.02	0.02
	JGB etc.	0.00	0.02	0.01	0.00	-0.00	0.00
	Financial instrument intermediary service	0.22	0.29	0.38	0.10	+0.05	0.04
	Total	6.12	5.22	5.02	1.43	+0.43	0.99

* 1 : Sales commission+ Trust fee

* 2 : Excl. executive life insurance

(11) Fees from Corporate Customers (¥ b n)

		FY18	FY19	FY20	1Q21	YoY	1Q20
J+A	Credit Related	7.57	8.20	7.55	1.25	+0.03	1.21
	Consulting Related	2.02	1.44	1.88	0.47	+0.12	0.35
	total	9.59	9.65	9.44	1.72	+0.15	1.56
Joyo	Credit Related	4.14	4.24	4.03	0.68	+0.03	0.64
	Consulting Related	1.14	0.80	1.18	0.31	+0.08	0.23
	total	5.28	5.05	5.21	0.99	+0.11	0.88
Ashikaga	Credit Related	3.42	3.95	3.52	0.56	+0.00	0.56
	Consulting Related	0.88	0.64	0.70	0.15	+0.03	0.11
	total	4.30	4.60	4.22	0.72	+0.03	0.68

【Data】 Breakdown of Banking subsidiaries

(12) Securities Balance(Balance Sheet Amount) (¥ b n)

		FYE18	FYE19	FYE20	Jun-21	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,436.8	2,359.4	2,510.6	2,543.9	+33.2
	Foreign bonds	829.6	831.6	959.5	956.3	-3.1
	Stocks	280.2	226.0	265.8	255.6	-10.1
	Investment trusts, etc.	799.8	658.9	597.2	636.0	+38.8
	Total	4,346.6	4,076.1	4,333.2	4,391.9	+58.7
Joyo	Domestic bonds	1,812.4	1,746.7	1,822.0	1,862.6	+40.6
	Foreign bonds	513.2	505.3	595.5	594.7	-0.7
	Stocks	243.4	197.2	233.1	221.9	-11.2
	Investment trusts, etc.	456.7	388.1	373.9	401.5	+27.5
	Total	3,025.9	2,837.4	3,024.6	3,080.8	+56.2
Ashikaga	Domestic bonds	610.9	600.3	679.1	672.0	-7.0
	Foreign bonds	316.3	326.3	364.0	361.5	-2.4
	Stocks	72.4	64.2	39.1	40.0	+0.8
	Investment trusts, etc.	338.7	266.7	219.1	230.3	+11.2
	Total	1,338.4	1,257.5	1,301.5	1,304.0	+2.5

(13) Securities Unrealized Valuation Gains/Losses on Available for Sale Securities (¥ b n)

		FYE18	FYE19	FYE20	Jun-21	YoY
Mebuki FG (Consolidated)	Stocks	136.2	86.9	139.4	134.8	-4.6
	Domestic bonds	21.1	9.2	2.4	8.1	+5.6
	Investment trusts, etc.	7.2	-21.3	33.1	51.7	+18.5
	Foreign bonds	10.3	24.3	35.6	39.6	+3.9
	Total	174.9	99.1	210.7	234.3	+23.5
Joyo	Stocks	128.0	85.1	127.5	122.1	-5.4
	Domestic bonds	19.3	9.0	3.0	7.3	+4.2
	Investment trusts, etc.	12.6	-8.3	26.0	39.2	+13.1
	Foreign bonds	10.4	12.8	15.0	16.7	+1.7
	Total	170.5	98.7	171.7	185.4	+13.6
Ashikaga	Stocks	28.4	20.8	25.0	25.8	+0.7
	Domestic bonds	15.7	11.5	8.5	9.2	+0.7
	Investment trusts, etc.	-2.3	-10.6	8.5	14.0	+5.4
	Foreign bonds	2.8	13.8	22.4	24.5	+2.1
	Total	44.6	35.6	64.5	73.6	+9.1

(14) Strategic shareholdings (Balance) ※Listed and Non-listed stocks (¥ b n)

		FYE18	FYE19	FYE20	Jun-21	YoY
J+A	Balance	125.5	114.0	98.5	88.8	-9.7
Joyo	Balance	110.7	99.7	84.7	75.0	-9.7
Ashikaga	Balance	14.8	14.3	13.8	13.8	-0.0

(15) Gains/Losses on Securities (¥ b n)

		FY18	FY19	FY20	1Q21	YoY	1Q20
J+A	Bonds	-10.7	-2.0	-6.2	-0.2	-0.2	0.0
	Stocks	10.7	0.4	10.0	5.4	-0.5	5.9
	Investment trusts, etc.	11.6	7.3	6.8	0.3	+0.1	0.1
	Total	11.6	5.6	10.6	5.5	-0.6	6.1
Joyo	Bonds	-7.3	-0.9	-3.9	-0.1	-0.1	0.0
	Stocks	12.4	0.6	9.1	4.7	+0.1	4.6
	Investment trusts, etc.	1.6	5.2	4.9	0.3	+0.3	0.0
	Total	6.7	4.8	10.1	4.8	+0.2	4.6
Ashikaga	Bonds	-3.3	-1.1	-2.3	-0.0	-0.0	0.0
	Stocks	-1.7	-0.1	0.9	0.7	-0.6	1.3
	Investment trusts, etc.	9.9	2.0	1.9	0.0	-0.1	0.1
	Total	4.8	0.8	0.4	0.6	-0.9	1.5

【Data】 Breakdown of Banking subsidiaries

(16) Expenses		(¥ b n)					
		FY18	FY19	FY20	1Q21	YoY	1Q20
J+A	Personnel	60.6	61.2	59.9	14.7	-0.4	15.2
	Non-Personnel	46.1	46.7	43.4	10.6	+0.0	10.6
	Taxes	7.3	7.0	6.8	2.3	-0.0	2.4
	Total	114.1	115.0	110.1	27.6	-0.5	28.2
Joyo	Personnel	33.8	33.5	33.2	8.2	-0.1	8.4
	Non-Personnel	27.7	26.8	24.7	5.9	-0.1	6.0
	Taxes	3.8	3.8	3.7	1.3	-0.0	1.3
	Total	65.3	64.2	61.7	15.4	-0.3	15.8
Ashikaga	Personnel	26.8	27.6	26.6	6.4	-0.3	6.7
	Non-Personnel	18.4	19.9	18.6	4.7	+0.1	4.5
	Taxes	3.5	3.1	3.0	0.9	-0.0	1.0
	Total	48.8	50.7	48.4	12.1	-0.2	12.3

(17) Credit related cost		(¥ bn)					
		FY18	FY19	FY20	1Q21	YoY	1Q20
J+A		9.3	19.0	22.4	0.6	-2.4	3.1
Joyo		4.2	10.1	12.0	-0.2	-2.6	2.3
Ashikaga		5.0	8.8	10.3	0.9	+0.1	0.7

(18) Disclosed Claims under the Financial Revitalization Law		(¥ b n)				
		FYE18	FYE19	FYE20	Jun-21	YoY
Mebuki	Bankrupt claims	15.9	12.7	10.3	10.5	+0.1
FG	Doubtful claims	125.1	129.0	143.2	139.3	-3.8
(Consolidated)	Requiring monitoring claims	32.2	27.9	27.4	28.6	+1.1
	Total	173.3	169.8	181.0	178.5	-2.5
Joyo	Bankrupt claims	6.1	5.7	5.5	4.9	-0.5
	Doubtful claims	66.4	69.9	78.0	77.2	-0.8
	Requiring monitoring claims	17.5	12.5	13.0	13.3	+0.2
	Total	90.2	88.2	96.7	95.5	-1.1
Ashikaga	Bankrupt claims	8.7	5.8	4.0	4.7	+0.7
	Doubtful claims	58.5	59.0	65.0	62.1	-2.9
	Requiring monitoring claims	14.7	15.4	14.4	15.3	+0.8
	Total	81.9	80.2	83.5	82.2	-1.3

(19) Non-accrual delinquent loans (to Business) (1 month or more)		(¥ bn)					
		FYE18	FYE19	FYE20	Jun-21	YoY	Jun-21
J+A		0.5	1.2	2.0	2.4	-0.6	3.0
Joyo		0.3	0.3	0.0	0.8	-0.2	1.0
Ashikaga		0.2	0.9	2.0	1.6	-0.3	1.9

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